

Deposit and Redeposit Service Under the Civil Service Retirement System (CSRS)

Updated 29 Dec 03

What is deposit service?

Deposit service is a period of creditable civilian service during which retirement contributions were not withheld from your salary - also called non-deduction service - only Social Security was deducted from pay. Some examples include temporary employment and employment on an intermittent work schedule. As an employee covered under the Civil Service Retirement System (CSRS), whether you need to pay the deposit depends on when the service was performed. Service performed prior to 1 Oct 82 is creditable for retirement eligibility and annuity computation whether you pay the deposit or not. If not paid, your annual retirement annuity will be reduced by 10% of the total deposit owed. Service performed on or after 1 Oct 82 is creditable only for eligibility for retirement if you do not pay the deposit. To receive credit for annuity computation, you must pay the deposit.

What is redeposit service?

Redeposit service is any period of creditable civilian service for which Civil Service Retirement System (CSRS) deductions were taken and later refunded upon separation from employment. If the refunded service ended before 1 Oct 90 and you don't pay the redeposit, the service will be creditable for eligibility for retirement and for annuity computation, but your non-disability annuity will be actuarially reduced. To avoid the actuarial deduction, you'll need to pay the redeposit. If the refunded service ended on or after 1 Oct 90, the service counts toward eligibility, but you must pay the redeposit to receive credit for the service in the annuity computation.

How is the amount of a deposit computed?

The amount of a deposit is the sum of the deductions that would have been withheld from an employee's basic pay during the period of non-deduction service had the employee been covered by the retirement system; plus interest. Deductions are based on a percentage of basic pay

How is the amount of redeposit computed?

The amount of a redeposit equals the amount of the refund received plus accrued interest.

How is interest assessed on deposits under the Civil Service Retirement System (CSRS)?

Deposit service is subject to interest based on when the service was performed. For deposit service performed before 1 Oct 82, the interest rate accrues daily and is charged at the following rates, compounded annually: 4 percent through 31 Dec 47, and 3 percent after 1947. For deposit service performed on or after 1 Oct 82, the interest rate accrues annually and is charged at the following rates, compounded annually on 31 Dec of each year: 3 percent through 31 Dec 84, and a variable rate thereafter.

How is interest assessed on redeposits under the Civil Service Retirement System (CSRS)?

Redeposit service is subject to interest based on when the employee applied for the refund. For refunds prior to 1 Oct 82, interest accrues daily beginning on the date the refund was paid and is charged at the following rates, compounded annually: 4 percent through 31 Dec 47, and 3 percent from 1948 through the date the redeposit is made, or to the commencing date of annuity, whichever is earlier. For refunds on or after 1 Oct 82, interest is charged beginning on

the date the refund was paid, at the following rates: compounded annually: 3 percent through 31 Dec 84, and a variable rate thereafter, compounded annually on 31 Dec of each year:

1985	13.0%	1992	8.125%	1999	5.75%
1986	11.1225%	1993	7.125%	2000	5.875%
1987	9.0%	1994	6.25%	2001	6.375%
1988	8.375%	1995	7.0%	2002	5.5%
1989	9.125%	1996	6.875%	2003	5%
1990	8.75%	1997	6.875%	2004	3.875%
1991	8.625%	1998	6.75%		

How can I determine if making a deposit or redeposit is beneficial for me?

The best way to determine if a deposit or redeposit is advantageous for you is to have an estimate completed and compare your retirement benefits with the deposit and/or redeposit made against your retirement benefits without the deposit or redeposit. Once you obtain the deposit/redeposit information from the Office of Personnel Management (OPM), a Benefits and Entitlements Service Team (BEST) benefits counselor can compute a retirement estimate (using the amounts you provide) showing the reductions. If you choose to pay the deposit/redeposit, just add the reductions back into your estimate to show your full benefit.

Does nonpayment of a deposit or redeposit have an effect on crediting the service for purposes other than retirement?

No. Full credit is granted for leave, promotion, pay increases, retention credits in reduction-in-force, and continuation of life insurance and health benefits after retirement, whether or not the deposit/redeposit is made.

How do I make a deposit or redeposit?

Contact a Benefits and Entitlements (BEST) benefits counselor and ask for Standard Form 2803 (Application to Make Deposit or Redeposit). The counselor will complete the agency portion of the form prior to mailing to you. Upon receipt, you will complete the applicant's portion and mail to the following address: Office of Personnel Management (OPM), Refund and Deposit Section, P.O. Box 45, Boyers PA 16017. OPM will notify you by mail of the amount of your deposit or redeposit. On receipt of the OPM notice, you may pay the deposit/redeposit in installment payments of \$50 or more, or you may choose to pay the amount in full. Payments must be mailed to OPM. You will continue to be charged interest on the unpaid balance until it is paid in full. The longer you take to pay the deposit/redeposit, the more interest you'll pay on the amount due. You will need to keep the OPM receipt showing full or partial payments and mail or fax a copy of the OPM receipt showing full payment to BEST for scanning into your electronic Official Personnel Folder. The BEST fax number and address are listed at the bottom of this page. Limited service employees must contact their servicing Civilian Personnel Office for procedures and questions regarding deposit/redeposit service.

May I make a deposit/redeposit after separation from service?

You may make a deposit after separation from employment if you have present or future annuity rights (i.e., you have at least 5 years of creditable civilian service and did not take a refund of retirement contributions at your last separation). Payment in such cases may be made any time before final adjudication of the retirement claim.

May I make a deposit/redeposit after retirement?

Yes, but the deposit/redeposit must be fully paid by the time the Office of Personnel Management (OPM) completes final adjudication of your retirement. You don't need to postpone retirement just because a deposit/redeposit may be due -- just be sure to include a written request to make the deposit/redeposit, or a completed SF 2803 (Application to Make Deposit or Redeposit), with your retirement application package. OPM will contact you to

advise of the amount of the deposit/redeposit and how the annuity will be affected if not paid, and provide a timeframe in which they should receive your payment if you decide to make it. A word of caution -- if you need this service in order to be eligible to retire, you must make the deposit.

Who can I speak to if I have questions about making a deposit or redeposit?

“Full service” employees may contact a Benefits and Entitlements (BEST) benefits counselor at the numbers below. “Limited service” employees must contact their servicing Civilian Personnel Office for assistance with deposit and/or redeposit service and other retirement related issues.

BEST Mailing Address

HQ AFPC/DPCMB
550 C Street West Ste 57
Randolph AFB TX 78150-4759

BEST Fax Number

DSN 665-2936 or (210) 565-2936

BEST Phone Numbers

Hearing Impaired: 1-800-382-0893, or (coml) 565-2276 if calling within San Antonio TX

Stateside: 1-800-616-3775

Overseas: Dial a toll-free AT&T direct access number for the country in which located, then 800-997-2378 -- except after 30 Apr 04 dial 800-616-3775
(AT&T direct access numbers can be found at
www.att.com/business_traveler/guides_and_access/dialing_instr.html#outside

BEST Homepage

www.afpc.randolph.af.mil/dpc/best/menu.htm